3 Canadian Dividend Aristocrats to Buy Right Now

Description

Amid higher commodity prices, the Canadian equity markets are trading close to their peaks. However, the rising inflation and the impact of the ongoing Russia-Ukraine war and the subsequent sanctions could hurt growth in the near term. So, given the uncertain outlook, it is prudent to strengthen your portfolio with these three Canadian Dividend Aristocrats. Given the stable cash flows and regular payouts, these stocks are less susceptible to market volatilities.

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Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has been paying a dividend uninterrupted for the last 67 years while increasing the same at a CAGR of around 10% over the previous 27 consecutive years. It currently pays a quarterly dividend of $0.86/share, with its forward yield at 5.95%. With its 40 diverse revenue-generating regulated sources, the company's cash flows are mostly stable, thus allowing it to raise its dividend consistently.

Enbridge had put $10 billion worth of projects into service last year. Meanwhile, it expects to make a capital investment of $5-$6 billion annually for the next three years. Further, the rising throughput of its liquids pipeline segment amid growing energy demand could boost its financials in the coming quarters. Despite the healthy growth prospects, the company trades at an attractive NTM price-to-earnings multiple of 18.7. So, considering all these factors, I believe Enbridge would be an excellent addition to your portfolio.

Canadian Natural Resources

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) has increased its dividend for 22 years at a CAGR of 22%. Currently, it pays a quarterly dividend of $0.75, with its forward yield standing at 3.78%.

Amid the supply concerns due to sanctions on Russia and a failure of OPEC+ countries to increase their production, oil prices have crossed US$100/barrel mark. Given the volatile environment, I expect oil prices to trade at elevated levels in the near to medium term, benefiting oil-producing companies like Canadian Natural Resources.

The company plans to invest around $3.6 billion this year. Supported by these investments and solid underlying business, the management expects its production to increase by 6.9% year over year. The improvement in refinery utilization rate, lower interest expenses amid a decline in debt levels, and share repurchases could boost its financials in the coming quarters.

So far this year, the company has returned close to 50%. Despite the surge, the company still trades at an attractive NTM price-to-earnings multiple of 7.8. So, Canadian Natural Resources could be an excellent addition to your portfolio.

Canadian Utilities

My final pick is **Canadian Utilities** (TSX:CU), the Canadian public company to raise its dividend longer than any other company. Thanks to its low-risk utility, energy infrastructure, and retail energy businesses, it has increased its dividend for 49 consecutive years. Meanwhile, it currently pays a quarterly dividend of $0.442 with its forward yield at 4.75%.

Canadian Utilities had made a capital investment of $1.25 billion last year. It plans to invest around $2 billion over the next two years to expand its rate base to $14.8 billion. The increase in rate base, favourable rate revisions, and solid underlying business could boost its financials in the coming quarters. The company's financial position also looks healthy, with its liquidity standing at $2.2 billion. So, I believe the company is well positioned to continue its dividend growth.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)

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rnanjapla

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